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ARIZONA CORPORATION COMMISSION

KRISTIN K. MAYES
Commissioner

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July 17, 2006

Re: Renewable Energy Standard as part of the Arizona Public Service General Rate Case; Docket No. E-01345A-05-0816

Dear Colleagues and Parties to the Docket:

As the Commission moves forward with the Renewable Energy Standard and Tariff (REST) I believe that we should also consider exploring the implementation of the REST in upcoming rate cases for Arizona's electric utilities. Arizona Public Service ("APS") is currently before the Commission for a general rate case dealing with a multitude of issues and I would like the REST to be included among them.

In Decision No. 67744, the Commission required APS to acquire 100 MW of renewable energy resources. Renewable energy will play an important role in our generating mix as we meet the energy needs of our state. I believe that it would be helpful for my future consideration of this docket if the REST is fully examined by the Parties during the course of this proceeding. Specifically, I would like the Parties to this Docket, most importantly Staff, RUCO and the Company, to provide testimony on incorporating the REST into this case.

Thank you for your timely attention to this matter.

Sincerely,

Kris Mayes
Commissioner

Cc: Chairman Jeff Hatch-Miller
Commissioner William A. Mundell
Commissioner Marc Spitzer
Commissioner Mike Gleason
Brian McNeil
Heather Murphy
Ernest Johnson